

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

WS-02156A  
Rio Verde Utilities - Water ~~Division~~ Division  
25609 Danny Lane, Ste 1  
Rio Verde, AZ 85263

**RECEIVED**

APR 18 2006

**Z Corporation Commissic  
Director of Utilities**

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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FOR COMMISSION USE

ANN04	05
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entered  
4-19-06  
RF

## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Rio Verde Utilities, Inc.</u>		
<b>Mailing Address</b> <u>25609 N Danny Lane, Suite 1</u>		
<u>Rio Verde</u> (City)	<u>AZ</u> (State)	<u>85263</u> (Zip)
<u>(480) 471-7247</u> Telephone No. (Include Area Code)	<u>(480) 471-7636</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>rioverde@cox.net</u>		
<b>Local Office Mailing Address</b> <u>same</u>		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
<b>Email Address</b> <u>same</u>		

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Jim Thomson</u>		<u>Vice-President</u>	
<u>25609 N Danny Lane, Suite 1</u> (Street)	<u>Rio Verde</u> (City)	<u>AZ</u> (State)	<u>85263</u> (Zip)
<u>(480) 471-7247</u> Telephone No. (Include Area Code)	<u>(480) 471-7636</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u>rioverde@cox.net</u>			
<b>On Site Manager:</b> <u>Michael L Kleminski</u>			
<u>25609 N Danny Lane, Suite 1</u> (Street)	<u>Rio Verde</u> (City)	<u>AZ</u> (State)	<u>85263</u> (Zip)
<u>(480) 471-2728</u> Telephone No. (Include Area Code)	<u>(480) 471-7636</u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)	
<b>Email Address</b> <u></u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

<b>Statutory Agent:</b> <u>Jim Thomson</u>			
(Name)			
<u>25609 N Danny Lane, Suite 1</u>	<u>Rio Verde</u>	<u>AZ</u>	<u>85263</u>
(Street)	(City)	(State)	(Zip)
<u>(480) 471-7247</u>	<u>(480) 471-7636</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
<b>Attorney:</b> <u>Richard Sallquist</u>			
(Name)			
<u>4500 S Lake Shore Dr, Suite 339</u>	<u>Tempe</u>	<u>AZ</u>	<u>85285</u>
(Street)	(City)	(State)	(Zip)
<u>(602) 224-9222</u>	<u>(480) 730-0761</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### **OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

### **COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE             | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM              | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA                | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI             | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

COMPANY NAME *Rio Verde Utilities, Inc. - Water Division*

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,380		
302	Franchises	-		
303	Land and Land Rights	176,512		
304	Structures and Improvements	33,133		
307	Wells and Springs	2,171,648		
311	Pumping Equipment	952,643		
320	Water Treatment Equipment	31,404		
330	Distribution Reservoirs and Standpipes	362,575		
331	Transmission and Distribution Mains	2,548,306		
333	Services	325,601		
334	Meters and Meter Installations	146,524		
335	Hydrants	183,259		
336	Backflow Prevention Devices	-		
339	Other Plant and Misc. Equipment	-		
340	Office Furniture and Equipment	-		
341	Transportation Equipment	51,335		
343	Tools, Shop and Garage Equipment	11,964		
344	Laboratory Equipment	7,917		
345	Power Operated Equipment	-		
346	Communication Equipment	64,497		
347	Miscellaneous Equipment	-		
348	Other Tangible Plant	122,316		
	<b>TOTALS</b>	<b>7,241,014</b>	<b>2,214,102</b>	<b>5,026,912</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Rio Verde Utilities - Water Division

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,380		
302	Franchises	-		
303	Land and Land Rights	176,512		
304	Structures and Improvements	33,133		
307	Wells and Springs	2,171,648		
311	Pumping Equipment	952,643		
320	Water Treatment Equipment	31,404		
330	Distribution Reservoirs and Standpipes	362,575		
331	Transmission and Distribution Mains	2,548,306		
333	Services	375,601		
334	Meters and Meter Installations	146,524		
335	Hydrants	183,259		
336	Backflow Prevention Devices	-		
339	Other Plant and Misc. Equipment	-		
340	Office Furniture and Equipment	-		
341	Transportation Equipment	51,335		
343	Tools, Shop and Garage Equipment	11,964		
344	Laboratory Equipment	7,917		
345	Power Operated Equipment	-		
346	Communication Equipment	64,497		
347	Miscellaneous Equipment	-		
348	Other Tangible Plant	122,316		
	<b>TOTALS</b>	<b>7,241,014</b>	<b>2.064119%</b>	<b>169,403</b>

This amount goes on the Comparative Statement of Income and Expense \_\_\_\_\_  
Acct. No. 403.

COMPANY NAME *Rio Verde Utilities, Inc - Water Division*

### BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 40,529	\$ 48,787
134	Working Funds		
135	Temporary Cash Investments	1,021,619	1,222,495
141	Customer Accounts Receivable	99,060	97,677
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	1,583	1,741
162	Prepayments	31,795	70,144
174	Miscellaneous Current and Accrued Assets	224,544	233,758
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 1,419,130	\$ 1,729,602
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 7,163,142	\$ 7,241,014
103	Property Held for Future Use	293,513	293,513
105	Construction Work in Progress	335,007	444,565
108	Accumulated Depreciation – Utility Plant	(1,998,788)	(2,214,102)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 5,792,874	\$ 5,764,990
	<b>TOTAL ASSETS</b>	\$ 7,212,004	\$ 7,494,592

NOTE: The Assets on this page should be equal to Total Liabilities and Capital on the following page.

COMPANY NAME *Rio Verde Utilities, Inc. - Water Division*

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 57,482	\$ 49,786
232	Notes Payable (Current Portion)	72,437	74,798
234	Notes/Accounts Payable to Associated Companies	-	31,797
235	Customer Deposits		
236	Accrued Taxes	33,546	8,689
237	Accrued Interest	7,571	9,179
241	Miscellaneous Current and Accrued Liabilities	-	
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 171,036	\$ 174,249
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 1,590,160	\$ 1,517,197
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	133,088	154,505
255	Accumulated Deferred Investment Tax Credits	22,068	19,623
271	Contributions in Aid of Construction	1,470,924	1,525,708
272	Less: Amortization of Contributions	< 369,682 >	< 415,592 >
281	Accumulated Deferred Income Tax	214,740	216,435
	<b>TOTAL DEFERRED CREDITS</b>	\$ 1,471,138	\$ 1,495,679
	<b>TOTAL LIABILITIES</b>	\$ 3,232,334	\$ 3,187,125
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 1,412,364	\$ 1,412,364
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	2,567,306	2,895,103
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 3,979,670	\$ 4,307,467
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 7,212,004	\$ 7,494,592

COMPANY NAME *Rio Verde Utilities, Inc - Water Division*

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1,226,258	\$ 1,401,783
460	Unmetered Water Revenue		
474	Other Water Revenues	44,042	43,727
	<b>TOTAL REVENUES</b>	\$ 1,270,300	\$ 1,445,510
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 115,624	\$ 133,652
610	Purchased Water	61,331	52,492
615	Purchased Power	143,314	203,471
618	Chemicals	1,931	5,429
620	Repairs and Maintenance	95,421	156,218
621	Office Supplies and Expense	5,205	7,588
630	Outside Services	62,095	86,032
635	Water Testing	8,731	5,950
641	Rents	-	-
650	Transportation Expenses	6,683	8,550
657	Insurance - General Liability	21,000	14,700
659	Insurance - Health and Life	9,925	14,084
666	Regulatory Commission Expense - Rate Case	3,333	-
675	Miscellaneous Expense	11,615	14,592
403	Depreciation Expense	168,926	169,403
408	Taxes Other Than Income	9,164	12,700
408.11	Property Taxes	27,600	35,851
409	Income Tax	146,021	115,594
	<b>TOTAL OPERATING EXPENSES</b>	\$ 897,919	\$ 1,036,306
	<b>OPERATING INCOME/(LOSS)</b>	\$ 372,381	\$ 409,204
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 19,650	\$ 38,281
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	< 101,627 >	< 119,688 >
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ < 81,977 >	\$ < 81,407 >
	<b>NET INCOME/(LOSS)</b>	\$ 290,404	\$ 327,797



COMPANY NAME *Rio Verde Utilities, Inc - Water Division*

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	<i>12/15/01</i>	<i>12/31/96</i>		
Source of Loan	<i>CoBank</i>	<i>Secord AZ Rio Verde Co</i>		
ACC Decision No.	<i>63585</i>	<i>59392</i>		
Reason for Loan	<i>Plant Expansion</i>	<i>Plant Expansion</i>		
Dollar Amount Issued	<i>\$ 1,290,389</i>	<i>\$ 600,000</i>	<i>\$</i>	<i>\$</i>
Amount Outstanding	<i>\$ 1,131,702</i>	<i>\$ 460,293</i>	<i>\$</i>	<i>\$</i>
Date of Maturity	<i>12/21/2021</i>	<i>12/31/2016</i>		
Interest Rate	<i>variable %</i>	<i>9.8 %</i>	<i>%</i>	<i>%</i>
Current Year Interest	<i>\$ 73,382</i>	<i>\$ 46,306</i>	<i>\$</i>	<i>\$</i>
Current Year Principle	<i>\$ 48,377</i>	<i>\$ 22,225</i>	<i>\$</i>	<i>\$</i>

Meter Deposit Balance at Test Year End

*\$ 337,145*

Meter Deposits Refunded During the Test Year

*\$ 23,823*

COMPANY NAME Rio Verde Utilities, Inc.

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-606073	25	310	145	12	6	62
55-606071	75	750	697	20-16	6	71
55-561190	200	1000	1050	18	12	97
55-506808	10	110	117	14-12	3	84
55-510881	200	950	1075	16	8	86
55-511320	40	380	665	16	6	86
55-519287	200	500	950	16	8-6	87
55-561226	400	2000	1160	16	12	97
55-578746	20	510	200	12	6	00

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Water Exchange SRP/CAWCO	NA	92,868

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	210	
50	1		
300	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
300,000	1	500	1
740,000			

COMPANY NAME Rio Verde Utilities, Inc

## WATER COMPANY PLANT DESCRIPTION (CONTINUED)

### MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	1585
3	PVC	6186
4	PVC	57343
5		
6	PVC	71719
8	PVC	74914
10		
12	PVC	22405
8	DIP	553
12	DIP	3234
16	DIP	1844
8	TRANSITE	29054
10	TRANSITE	700
12	TRANSITE	1700

### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	375
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	4
Tubo 4	
Comp. 6	1
Tubo 6	
Comp 8	2
Comp 12	4

For the following three items, list the utility owned assets in each category.

#### TREATMENT EQUIPMENT:

Hypochlorinators @ wells 1 & 2

#### STRUCTURES:

LAB/OFFICE BLDG

STORAGE TANKS & WELLS 2, 3, 4, 5, 7, 9 ARE FENCED  
WELLS 1, 6, 8 ARE WALLED

#### OTHER:

150 KW Generator @ 300,000 storage  
75 KW Generator @ Well 2

COMPANY NAME: Rio Verde Utilities

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	1533	18419	19991
FEBRUARY	1555	15276	15858
MARCH	1560	34905	45792
APRIL	1565	78036	87790
MAY	1571	114225	104500
JUNE	1581	130836	115112
JULY	1595	141182	129764
AUGUST	1601	74932	87973
SEPTEMBER	1606	80018	105703
OCTOBER	1610	112237	101216
NOVEMBER	1613	67912	72453
DECEMBER	1616	45401	46585
TOTAL		913384	932742

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☒ Yes

☐ No

If yes, provide the GPCPD amount: Residential - 137 nonresidential - 855

What is the level of arsenic for each well on your system. POE = .0092 mg/l

(If more than one well, please list each separately.) Well 1 = .010 4 = .007 9 = .007

2 = .007 6 = .023

**Note: If you are filing for more than one system, please provide separate data sheets for each system.**

COMPANY NAME Rio Verde Utilities, Inc. YEAR ENDING 12/31/2005

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 35,851

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. ✓

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VERIFICATION  
AND  
SWORN STATEMENT  
Taxes

RECEIVED

APR 18 2006

Z Corporation Commission  
Director of Utilities

VERIFICATION

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jim Thomson, VP</u>
COMPANY NAME	<u>Rio Verde Utilities, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Jim Thomson  
SIGNATURE OF OWNER OR OFFICIAL  
480-471-7247  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14<sup>th</sup> DAY OF

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2006</u>

Notary Public State of Arizona  
(SEAL)  
Maricopa County  
Teresa C Severson  
MY COMMISSION EXPIRES June 30, 2007

Teresa C Severson  
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Rio Verde Utilities, Inc. YEAR ENDING 12/31/2005

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 415,479  
Estimated or Actual Federal Tax Liability 141,263

State Taxable Income Reported 545,408  
Estimated or Actual State Tax Liability 58,004

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances —  
Amount of Gross-Up Tax Collected —  
Total Grossed-Up Contributions/Advances —

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

4/14/06  
DATE

Jim Thomson  
PRINTED NAME

VP  
TITLE

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 18 2006

Corporation Commission  
Director of Utilities

VERIFICATION

STATE OF AZ  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>Maricopa</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Jim Thomson, VP</u>
COMPANY NAME	<u>Rio Verde Utilities, Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,533,822

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 88,312  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



Notary Public State of Arizona  
Maricopa County 14th DAY OF  
Teresa C Severson  
Expires June 30, 2007

DAY OF

COUNTY NAME	<u>Maricopa</u>	
MONTH	<u>April</u>	<u>2006</u>

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

480-471-7247

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES June 30, 2007



VERIFICATION  
AND  
SWORN STATEMENT  
**RESIDENTIAL REVENUE**  
**INTRASTATE REVENUES ONLY**

**RECEIVED**

APR 18 2006

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) <i>Maricopa</i>	
NAME (OWNER OR OFFICIAL) <i>Jim Thomson</i>	TITLE <i>VP</i>
COMPANY NAME <i>Rio Verde Utilities, Inc.</i>	

**Z Corporation Commission**  
**Director of Utilities**

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

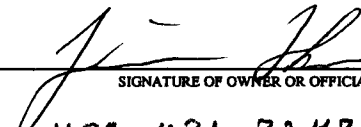
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES  \$ <u>506,564</u>
--

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 30,022  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
SIGNATURE OF OWNER OR OFFICIAL  
480-471-7247  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14<sup>th</sup>

DAY OF

Notary Public State of Arizona

Maricopa County

Teresa C. Severson

Expires June 30, 2007

(SEAL)



MY COMMISSION EXPIRES

*June 30<sup>th</sup>, 2007*

NOTARY PUBLIC NAME <i>Teresa C. Severson</i>	
COUNTY NAME <i>Maricopa</i>	
MONTH <i>April</i>	20 <u>06</u>

  
SIGNATURE OF NOTARY PUBLIC

# PARCEL/ACCOUNT # 622-80-000 4

PROPERTY DESCRIPTION

SEC/LOT TWN/BLK RNG/TR

TOTAL VALUE OF OPERATING PROPERTY

## MARICOPA COUNTY TREASURER

DAVID SCHWEIKERT, TREASURER  
301 W JEFFERSON ST - RM 100  
PHOENIX, AZ 85003-2199

To update your mailing address please go to:  
<http://treasurer.maricopa.gov>

## MARICOPA COUNTY 2005 PROPERTY TAX STATEMENT

SIGN UP FOR "PARCEL WATCH"  
AT <http://treasurer.maricopa.gov>

PHONE NUMBERS ON OTHER SIDE

\$25.00 CHARGE IF CHECK  
FAILS TO CLEAR BANK.

YOUR CHECK IS YOUR RECEIPT.

787 778 \*\*\*\*\*AUTO\*\*5-DIGIT 85262  
RIO VERDE UTILITIES INC  
JIM THOMSON/VICE PRESIDENT  
25808 N DANNY LN STE 1  
RIO VERDE, AZ 85263-8131

LAND / BUILDING VALUES				PRIMARY	COMPARATIVE 2004 AMT	RISK DISTRIBUTION	
TAX	LAND	%	ASSESSED			RATE / 100	TOTAL AMT DUE
LAND / BUILDING PERSONAL PROPERTY EXEMPTION	52847 2872153	25.0	13087 593038	COUNTY EDUCATION EQUALIZATION CITY SCHOOL COUNTY EDUCATION COMMUNITY COLLEGE	7012.08 2840.81	11971 04358	7255.93 2841.49
PRIMARY TOTAL	2424500		808125				
AREA CODE 000000				SUBTOTAL	28950.08	43255	28278.84
FLOOD CATCHER VALUES				SECONDARY			
TAX	LAND	%	ASSESSED				
LAND / BUILDING PERSONAL PROPERTY EXEMPTION	52347 2372153	25.0	13087 593038	FLOOD CAWCD OVERRIDES FIRE DISTRICT ASSISTANCE LIBRARY HEALTHCARE DISTRICT "BONDS" - COUNTY - CITY - SCHOOLS - COMMUNITY COLLEGE	8.88 884.98 39.88 201.72 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	2119 1200 0089 0521 1206 0000 0000 0000 0000 0000 0000 0000	27.74 727.34 41.82 315.80 730.98 0.00 0.00 0.00 0.00 0.00 0.00 0.00
SECONDARY TOTAL	2424500		808125	SUBTOTAL	878.04 1717.88	1378 5484	835.84 2678.52
SPECIAL DISTRICT (VALUE/ACRES/PT) = ASSESSED				GRAT #			
IF NOT PAID BY DELINQUENT DATES, CALL OR VISIT OUR WEBSITE FOR YOUR INTEREST AMOUNT					27887.84	TOTALS	\$28,958.06

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

(234399 = PRTCNLT)

**PAID**

1st half 10/14/05  
Check # 12003

**PAID**

2nd half 3/16/06  
Check # 12258